
The Utopia of Economic 'Freedom Model'

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Between January 15-19 (2024), the World Economic Forum was held in Davos, Switzerland, which annually brings together heads of state, political leaders, businessmen, social representatives and the media. The central topics were: security, international cooperation, economic growth, employment, climate crisis and challenges of artificial intelligence. The intervention of Javier Milei, president of Argentina and the first libertarian and anarcho-capitalist ruler in the world, drew interest.

Milei won increasing media notoriety as an economist, professor, business consultant and lecturer, since the beginning of the 21 century. He stood out for his antics and verbal aggressiveness. By entering politics, his figure was enhanced. As president he has advanced radical economic liberalization policies. In Davos he made a sui generis intervention (<https://t.ly/vLdmQ>; <https://t.ly/gxECv>), which aroused controversy. And as his ideas spread throughout Latin America, inspire lovers of neoliberalism and now libertarianism, stimulate businessmen and irrigate university environments, economists and right-wing intellectuals, they deserve to be compared from the economic history of the region.

What did Milei tell the world?

In summary, Milei argued in Davos that the West is in 'peril' due to the advance of 'socialism' that only brings poverty; that capitalism took humanity out of it since 1800 with the industrial revolution and that since then there has only been sustained growth in GDP; 'Social justice' is an unjust and violent idea because it induces state interventionism that only affects freedom; the State stops business 'discovery' of greater productivity; he questioned the 'neoclassical model' that speaks of an 'imperfect' market, when the truth is that there are no supposed 'faults' in the market; the most 'free' countries are richer than the repressed ones; the problem is the State; 'libertarianism' is the answer and the solution. In passing, he questioned feminism and environmentalism. And all this was heard on the continent, the cradle of welfare states.

Milei makes a total and absolute abstraction of the free market. He detaches it from reality and turns it into a fantasy that's what he examines, under the assumption that this is theory. I don't know if he has read G.W.F. Hegel (1770-1831). But he acts exactly like this philosopher, transform the idea 'free market' into an absolute. That

is his intellectual method. Milei is the father of economic-Hegelianism. Inspirer of libertarians, the new term. He has taken a step forward with respect to the theorists to whom he frequently turns (F. von Hayek, C. Menger, F. Wieser, M. Friedman, E. von Böhm-Bawerk, M. Rothbard, L. von Mises, H.H. Hoppe, J. A. Schumpeter, E. Lederer, R. Reisch, W. G. F. Roscher, B. Hildebrand, K. Knies), that is, a mixture of professors, praisers of capitalism, enemies of all socialism, anti-Marxist radicals and free market utopians and private property, without the State. By doing so, reality disappears and a pure concept is examined: the 'perfect market', which has never existed in the history of capitalism, much less in previous times. He believes that the 'model of freedom' existed in Argentina since 1860, for 35 years, turning the country into the 'first world power'; and, furthermore, that an equally exceptional situation 'occurred at the end of the 15th century with the discovery of America'.

And in Real Life...

But the story is heading in another direction. Although since 1492 the world market has grown like no previous times, it was established on the basis of brutal colonialism in the American continent and especially in the vast region that today is identified as Latin America and the Caribbean, where the ancient Aztec and Inca civilizations (some Mayan communities remained) were devastated and the indigenous people were subjected to various forms of servitude and exploitation, which gave rise to their historical misery and misfortune. Colony also arose with slavery, using the trafficking of 'black goods' from Africa. It forced an unequal exchange between peripheries and centers (I don't know if Milei ever read the 'dependentists' like Theotonio Dos Santos), which 'underdeveloped' the region. And the colonial economies were forced to organize themselves at the convenience of the metropolises Spain and Portugal, while the Caribbean became the axis of disputes between colonial powers. Even the 'freedom' of the markets imposed by the Bourbon reforms (18th century) made sure to continue controlling and regulating the colonial economy. So the wealth generated by 'businessmen' and 'entrepreneurs' of all kinds during three centuries had nothing heroic and exemplary, but rather exploitation and suffering. European capitalism was born from these processes. As Karl Marx (1818-1883) would say: 'capital comes into the world dripping blood and mud from every pore, from the feet to the head.'

The industrial revolution of the 18th century, with which capitalism and the 'model of freedom' were consolidated, precisely because of this situation, brought to the world the most ignominious exploitation of contemporary times: proletarians subjected to exhausting hours and miserable salaries, without working rights, repressed (and killed) when they protested. Latin America did not have an industrial revolution and in the 19th century capitalism did not exist, except for the incipient development of that system in Argentina, Brazil, and Mexico, in the middle of the century. Studies on the landowner system and the oligarchic regime of those times abound. The 'businessmen' and 'entrepreneurs' of the time were not exemplary heroes either, but rather exploiters of work, without the capacity to generate 'development'. Only in the 20th century did Latin American capitalism take off and in several countries (like Ecuador) practically in the middle of it. Just as had happened in Europe, this capitalism took advantage of minimal Latin American states (libertarian ideal), wobbly, with the absence of direct taxes, with hours and salaries without labor rights, external dependence and oligarchic republics. When, starting with the Mexican Revolution (1910) and the Russian Revolution (1917), socialist, communist, anarchist, anarcho-sindicalist and even social democratic ideas spread, given the rise of social struggles inevitably generated by predatory capitalism, in the 20th century in Latin America, rulers emerged who used the State to promote economic development through laws, works, and investments, public goods and services, regulating private greed and recognizing rights for workers and society. Instead of praising the free market and its managers, we should praise the State. In addition to the fact that the only country in history, which in four decades lifted almost 800 million people out of poverty, is the People's Republic of China (<https://t.ly/HmfkK>; <https://t.ly/jNkWZ>).

Thus we have reached the decades that make up the historical present. Today there's an acute 'class struggle' (Marx) between the heroic representatives of the business-neoliberal model, advanced even further with the libertarians, and the whole of society that seeks the well-being and progress that the others only achieved for the 1% of the population that concentrates wealth and, in general, political power. A conflict that is expressed as a fantastic dispute over the State: shrinking it or using it to implement a social economy, which libertarians consider 'socialism', confusing all existing concepts and theories on these issues, in addition to misleading with the idea that business and market freedom is human freedom.

And if examined each country, the situations described are worse, as is the case in Ecuador, with a long economic history of social exclusion, labor exploitation, indigenous and peasant misery, looting of natural resources, negotiations and embezzlement from the State, private corruption, dependency and subordination to transnational capitals, 'development of underdevelopment', to use the well-known expression of André Gunder Frank.

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I have argued that Milei and his supporters are completely unaware of the economic history of Latin America and its social realities. They don't want to rely on it. So it's understandable that the utopia of the free market and the morally superior entrepreneur hypnotizes those who feel identified with economic-Hegelianism. They have their reasons to say, like Milei: 'I want to leave a message to all businessmen... Do not let yourselves be intimidated by the political class or by the parasites living off the State... You are social benefactors. You are heroes... If you earn money it's because you offer a better product at a better price, thus contributing to the general well-being...

Long live freedom!

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